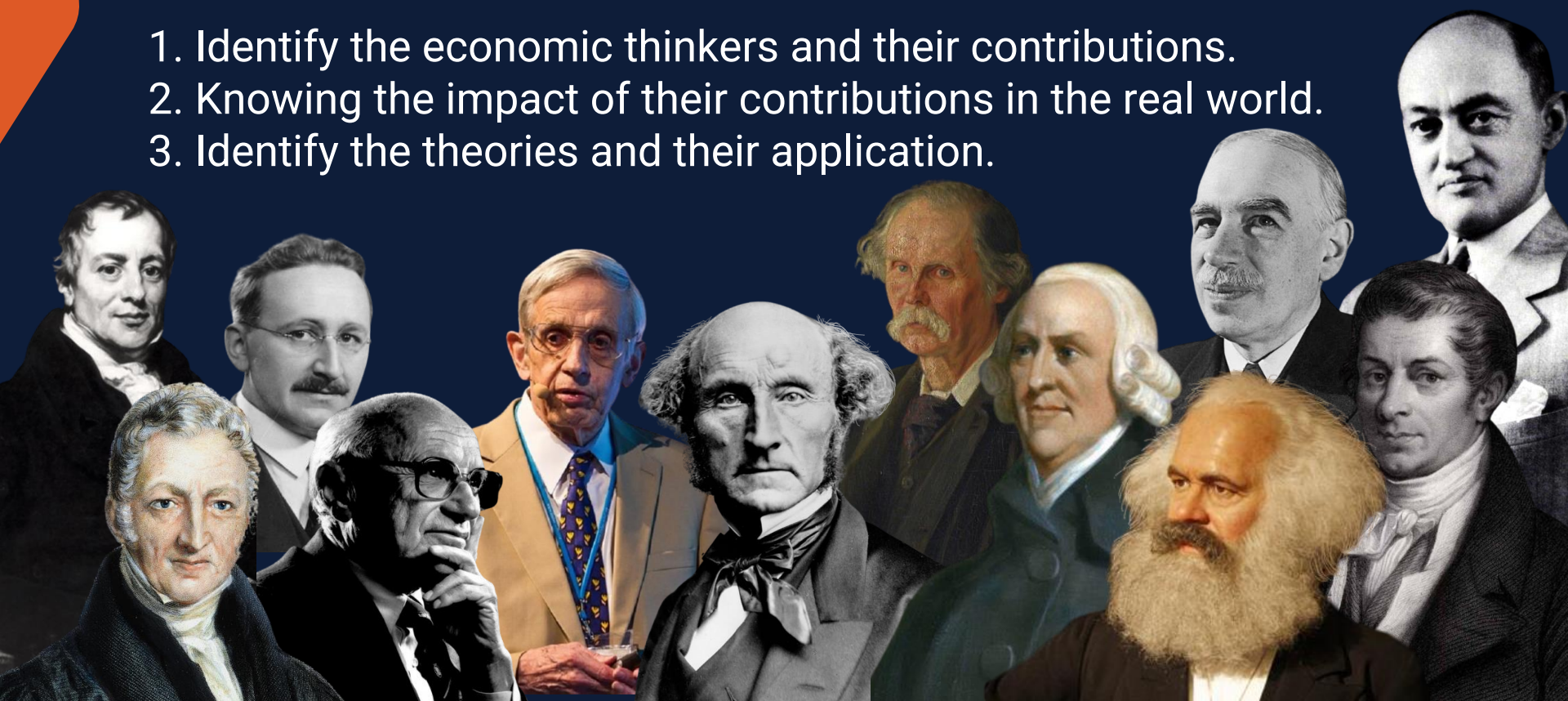
ECONOMIC THINKERS and ECONOMIC THEORIES

Instructor: Mr. Ira Jesus E. Yapching Jr.

OBJECTIVES:

1. Identify the economic thinkers and their contributions.
2. Knowing the impact of their contributions in the real world.
3. Identify the theories and their application.



01

JEAN-BAPTISTE SAY

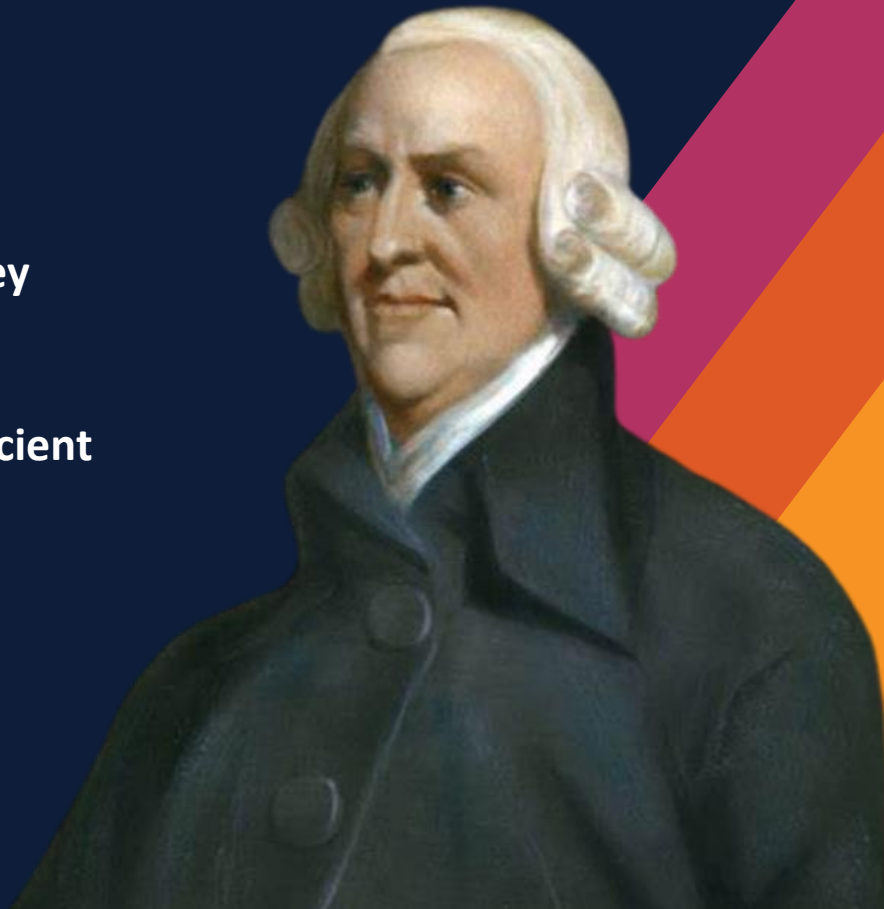
states that the production of any output automatically provides the income needed to buy that output. More succinctly stated, *supply creates its own demand.*

Famous for:
Say's Law

ADAM SMITH

states that nations would be better off if they each specialized in the production of those products in which they had an absolute advantage and were therefore the most efficient producers.

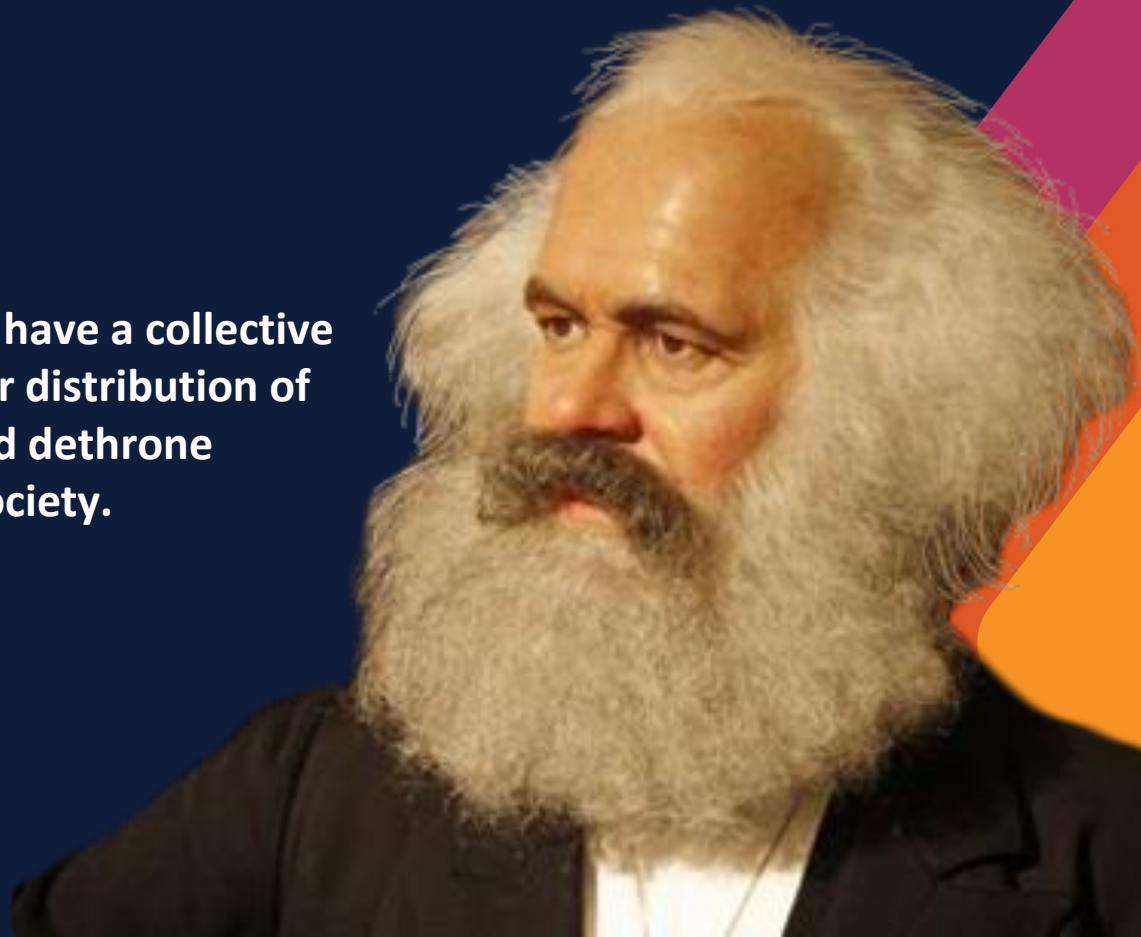
Famous for:
The Wealth of Nation
Laissez-Faire
Invisible Hand
Absolute Advantage



03

KARL MARX

believes that a nation needs to have a collective production to assure the proper distribution of resources. Thus, workers should dethrone owners to fulfill the classless society.



Famous for:
Das Kapital
The Communist Manifesto

04

JOHN STUART MILL

the man who applied Utilitarianism as an economic view. Utilitarianism is a moral philosophy that states that the best action is the one that maximizes utility, which is usually defined as maximizing happiness and reducing suffering

Famous for:
Utilitarianism

05

DAVID RICARDO

states that it is advantageous for a country to specialize and trade with another country even if it is more productive in all economic activities than that of other country.

Famous for:
Comparative Advantage
On the Principles of Political Economy & Taxation

06

THOMAS ROBERT MALTHUS

states that the growing population is the reason why many resources will be used to produce supplies.

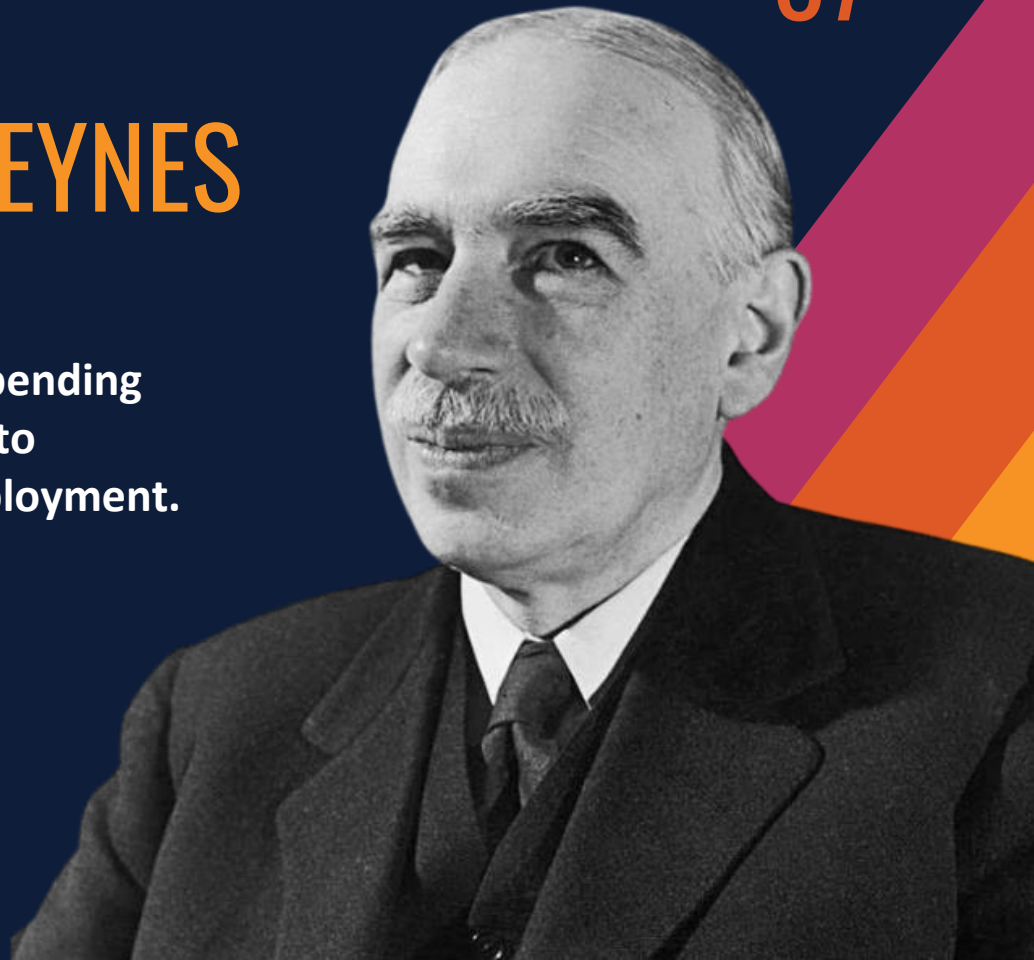
Famous for:
An Essay on the Principle of Population

07

JOHN MAYNARD KEYNES

states that increasing government spending and lowering taxes helps the nation to stimulate business and increase employment.

Famous for:
The General Theory of Employment, Interest, and Money

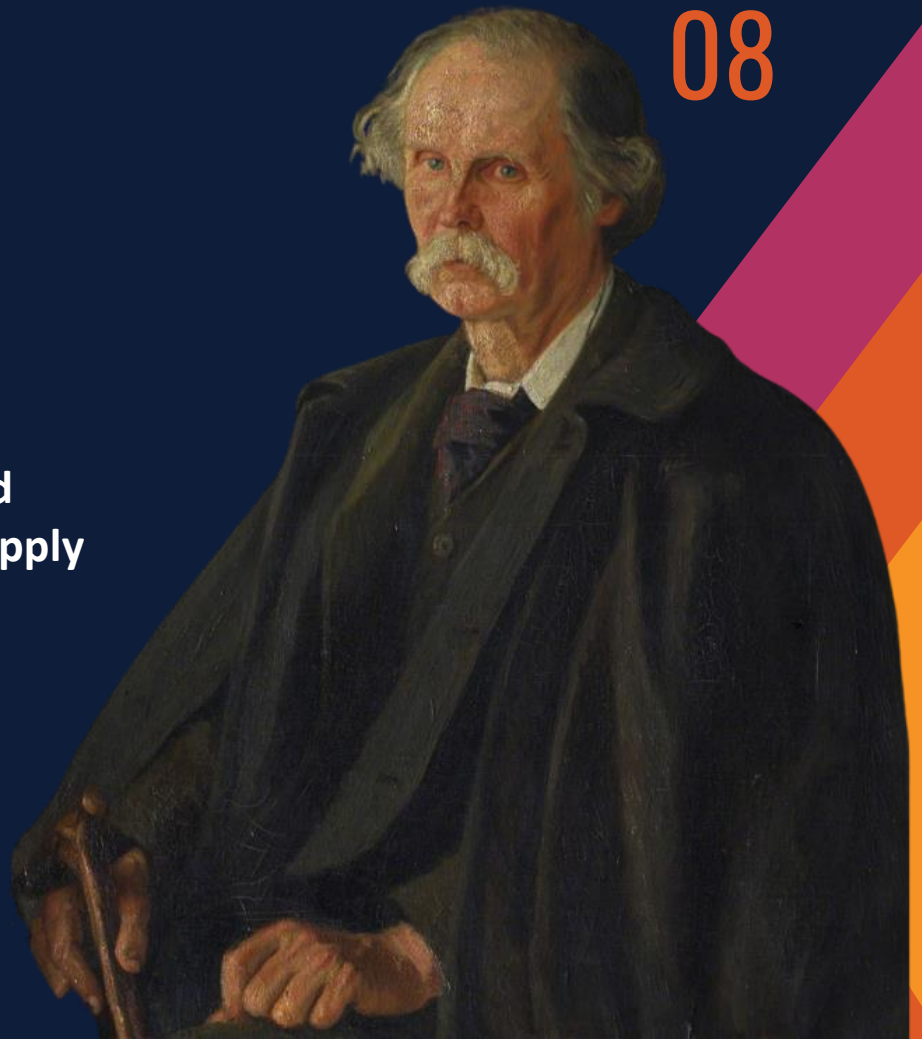


08

ALFRED MARSHALL

the core founder of analytical tools in economics. He emphasized that prices and output of goods are determined by the supply and demand curve.

Famous for:
Principles of Economics
Industry and Trade
Money, Credit, and Commerce



09

JOSEPH SCHUMPETER

the man who identified innovation and entrepreneurship as the engines of capitalism, and who inaugurated the discipline of economic analysis.

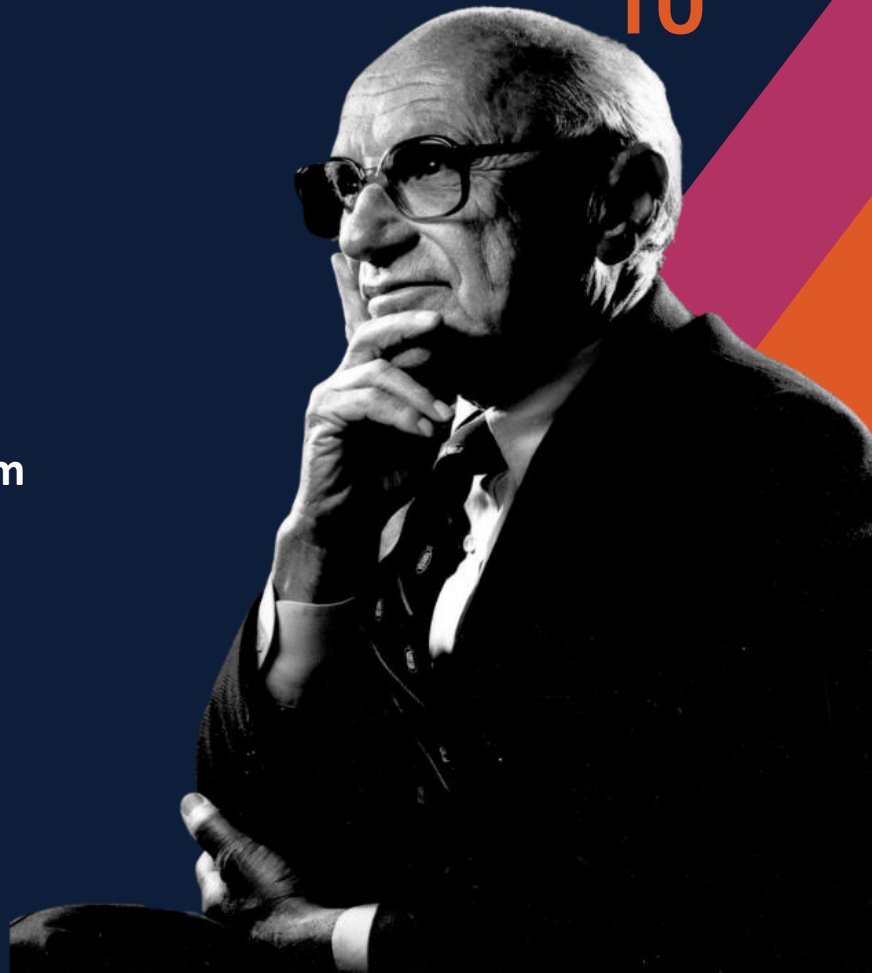
Famous for:

The Theory of Economic Development
Capitalism, Socialism, and Democracy
History of Economic Analysis

MILTON FRIEDMAN

states that government intervention to stabilize the economy would be at best useless and at worst inflationary. Monetarism found itself in the ascendancy.

Famous for:
Capitalism and Freedom
Why Government Is the Problem
Money Mischief: Episodes in Monetary History



JOHN FORBES NASH

was famous for his Game Theory which shows the market strategy between two competitors.

Famous for:
Game Theory

FRIEDRICH AUGUST HAYEK

said that the market was not designed by anyone but evolved slowly as a result of human actions. He is an important figure in the development of the political philosophy of classical liberalism

Famous for:
Business Cycle
The Road to Serfdom
The Fatal Conceit

MODERN ECONOMIC THEORIES

CONSUMERISM
KEYNESIANISM
LIBERALISM

MONETARISM
UTILITARIANISM

CONSUMERISM

It states that increasing the consumption of goods is economically beneficial.

KEYNESIANISM

Advocates Fiscal Policy programs intended to accumulate enterprise and increase employment.

LIBERALISM

Advocates free competition and a self-regulating market.

MONETARISM

States that variations in unemployment and the rates of inflation are usually caused by changes in the supply of money.

THANKS!

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